92-05171/

REPORT OF THE

PORT ALBERNI FOREST SECTOR COMMITTEE

APRIL 6, 1992

Prepared for:

The Honourable Dan Miller
Minister of Forests

REPORT OF THE

PORT ALBERNI FOREST SECTOR COMMITTEE

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The Port Alberni Forest Sector committee was appointed by the Minister of Forests in February, 1992, in response to the publication of the report prepared by Robert S. Wood., Sterling Wood Group Inc., for Mr. Douglas Kerley, Provincial Job Protection Commissioner, entitled "An Analysis of the Forest Industry Employment Situation in Port Alberni" (herein called the "Wood Report"). Earl Foxcroft, former president of the Port Alberni Local of the IWA, was appointed chairman of this committee, and committee members, all residents of Port Alberni and all appointed by the Minister of Forests, represented the City of Port Alberni, the Regional District of Alberni-Clayoquot, the local Economic Development Commission, MacMillan Bloedel Ltd., the Port Alberni Local of the IWA, and a Port Alberni Local of the Canadian Paperworkers Union. As well, representatives from the Ministry of Forests sat on the committee as observers.

The terms of reference of the Port Alberni Forest Sector Committee were:

1) To utilize the report and recommendations of the Special Job Protection Commissioner for Port Alberni (Wood Report) as the basis for exploring alternatives and developing solutions for the mitigation of forest sector layoffs and strengthening the long-term viability of the forest industry.

2) To consult with the Clayoquot Sound Sustainable Development Committee to review compatibility of their January 1, 1992, interim report with the recommendations of the Special Job Protection Commissioner.

3) To consider the advice and recommendations of other local interests or advisory groups that are considering forest sector employment opportunities, including the Port Alberni Adjustment Committee and the Kennedy Lake Working Group.

4) To report to the Minister in early April, 1992, on actions that might follow from the Special Job Protection Commissioner's recommendations that can be expected to improve forestry-related job opportunities in the Port Alberni region.

The summarized recommendations in the Wood Report which were to be examined by the Port Alberni Forest Sector Committee were:

1) taking back of surplus AAC if such a surplus does in fact exist after landbase adjustments, and allocation of any surplus to a local community forest authority;

2) reduction of local independent forest sector impediments, probably through the Regional Economic Development Officer, but including others;

3) creating of a binding local supply agreement facilitation process, again through the above agency;

4) stimulation and expansion, if possible, of the Ministry of Forests Small Business Forest Enterprise Programme under Section 16.1 of the Forest Act;

5) creation of an elevated and career-oriented local silvicultural industry under the lead of the Ministry of Forests in cooperation with other agencies;

6) expeditious settlement of critical forest landbase issues, such as Clayoquot Sound, to allow getting on with planning and programmes such as those above.

In the course of examining the recommendations contained in the Wood Report and in compliance with its terms of reference, the Port Alberni Forest Sector Committee invited several individuals and groups to attend its meetings. R. Garth MacFarlane, MacMillan Bloedel General Manager, Building Materials, Alberni region, advised this committee on February 20th, about the disposition of logs from MacMillan Bloedel's Alberni operations. He told the committee that in 1991, of 2,160,000 m3 of net logs, their local mills used 1,800,000 m3, 145,000 m3 is currently sold to local

small businesses, 65,000 m3 was sold on the open market, and the rest was used by MacMillan Bloedel mills outside the Alberni Region.

Representatives from the Ucluelet Study Group also met with the committee on February 20th, to set forth their concerns and recommendations concerning recent job losses in the Kennedy Lake Division of MacMillan Bloedel, and Ucluelet's concerns about the community being left out of decision-making processes that have dramatic effects on employment levels in the village. It was also pointed out to the committee that many decisions relating to Kennedy Lake Division and the Village of Ucluelet cannot be made until the Clayoquot Sound Committee has completed its report and decisions about land use in that area are finalized.

Janet Schlackl of the Regional Economic Development Commission provided the committee with an outline of her group's efforts, in conjunction with the local M.L.A. and Mr. Doug Kerley, the Job Protection Commissioner, to put together an "umbrella group" or "strategic alliance" of local independent small businesses in the forest industry, community managed, to provide them with administrative and managerial assistance and low-interest loans for retooling and mechanical upgrading that they require.

Robert Prescott-Allen, Strategy Director, Clayoquot Sound Task Force, met with the committee and gave assurances that their report would be completed on time, by June 30, 1992, and that their report will be very specific as to what areas, if any, should be preserved as parks.

Jim Chisholm, MacMillan Bloedel Ltd. Manager, N.A. Industrial Sales, spoke to the committee on March 12th. He outlined to the committee MacMillan Bloedel's relationship with remanners, and advised that in 1991, MacMillan Bloedel sold 180 million board feet of lumber to remanufacturers--130,000 million board feet to Canada and the U.S., and 50 million to off-shore customers. He advised that three concerns govern MacMillan Bloedel's sales to remanufacturers: their credit-worthiness; whether they will be in direct competition with MacMillan Bloedel; and their worldwide marketing network. He told the committee that remanufacturers who operate in Port Alberni have a distinct cost advantage over others elsewhere in reduced freight costs and TTLP (transport to loading point) costs, resulting in a cost advantage of $45.00 per thousand board feet for a remanufacturer operating in Port Alberni and selling to offshore markets. He pointed out to the committee that another advantage to remanners locating in Port Alberni is the available workforce, which is experienced in all areas of work in the forest industry. He said that demand for "shop grade fiber", the highest grade of lumber, is ever increasing, while the supply is constantly diminishing. He assured the committee that MacMillan Bloedel is

"prepared to agree to sell a product from our product lines, at competitive market prices, to any local remanners. It is in MacMillan Bloedel's best interests to support local business."

The committee held a public meeting on the afternoon and evening of March 3, 1992. Twenty-two local groups and individuals made presentations to the committee, and they are listed in an appendix to this report.

As well, the chairman of this committee held meetings and discussions with various players in the forest industry in the Port Alberni Area, including the Ministry of Forests, the Economic Development Commission, MacMillan Bloedel Ltd. representatives, and owners and operators of small forest-sector businesses including Timbermil Logging Ltd., Aquila Cedar Products Ltd., Meeker's, Rebco Wood Products Ltd., Mr. Chuck Green, Sarita Furniture, and Nagaard Sawmills Ltd. The chairman also had discussions with Mr. R.W. Fechtner, Senior Vice President, Logging and Log Supply, Interfor, in which he indicated his support for assisting employment opportunities in this community, and his willingness to exchange suitable fiber on the basis of volume and value.

RECOMMENDATIONS:

1 (a) - Make-up and Responsibility of Board

This committee recommends that a Community Timber Board be set up to be responsible for distribution of timber and funds under its jurisdiction. The focus of the Board would be job creation in the Regional District of Alberni-Clayoquot. This Board would be made up of representatives from:

a) the Regional District of Alberni-Clayoquot

b) the City of Port Alberni

c) IWA-Canada Local 1-85

d) Port Alberni Local 592, Canadian Paperworkers Union

e) the Economic Development Commission

f) a representative from a Port Alberni financial institution

g) the Ministry of Forests, and

i) a business administrator, to be appointed by the provincial government.

All appointments to the Board will be confirmed by the provincial government. All appointees to the Board will have to abide by the provincial government conflict of interest policy.

It would be the responsibility of this Board to allocate timber under its jurisdiction; and to determine the allocation of capital venture funds available to it.

The Economic Development Commission and the Job Protection Commissioner are presently developing an organizational structure and a business plan for small forest-sector businesses in the Port Alberni area. This business plan will become an integral part of the envisaged programme of the Community Timber Board.

1(b) - Timber Available to Board

This Committee recommends to the Job Protection Commissioner, pursuant to the Job Protection Act, Section 11(3), that the annual volume of 65,000 m3 be withdrawn from Tree Farm License 44 and that that amount be allocated to the Community Timber Board.

This Committee recommends that the Minister of Forests, using the discretion outlined in Section 16.1 of the Forest Act, allocate the annual volume of 50,000 m3 from the Alberni Forest District to the Community Timber Board.

In our discussions and review of available timber, it was made clear to us that 65,000 m3 can be withdrawn from TFL 44 without affecting present commitments of MacMillan Bloedel Ltd. for all of its local commitments. Garth McFarlane told this committee on February 20th, that 65,000 cubic meters were sold on the open market in 1991, predominantly cedar.

Such an allocation of timber from the TFL-holder to a Community Timber Board would reflect feelings held in this community and expressed to this committee regarding restrictions that should be imposed on TFL holders--if they close plants and operations and cause job loss, then they should have their supply of timber proportionately reduced.

The Ministry of Forests has said it could make available 50,000 cubic meters of timber to a Community Timber Board.

This amount of timber, a total annual volume of 115,000 m3, could be made available to the Community Timber Board almost immediately, at the discretion of the Minister of Forests and the Job Protection Commissioner. There also exists opportunities in the future to expand the amount of timber available to the Community Timber Board. The Ministry of Forests has allocated approximately 120,000 m3 to specific businesses under their current Small Business Program. As these five- and ten-year contracts expire, subject to the Forest Act, this timber could be added to that available to the Community Timber Board, and in the future be allocated to them.

As well, this Committee recommends, under the provisions of the Job Protection Act, that if any future plant reductions or closures occur, then further timber could become available to the Job Protection Commissioner from Tree Farm Licenses and from Timber Licenses, and that timber should be allocated to the Community Timber Board by the Job Protection Commissioner.

This supply of timber availiable to the Community Timber Board would be enough for small sawmill breakdown to supply local remanners and provide supply, encouragement and support for small businesses in the forest sector in Port Alberni. It would provide an opportunity for all small local forest sector enterprises to obtain an ongoing supply of wood. It would remove the uncertainty that presently exists regarding wood supply that faces local small businesses in the forst sector, and would provide them with the wood supply they require.

1(c) - Funding Available to Board:

There are small, forest-sector businesses currently operating in the Port Alberni area which have been unable to respond to market opportunities because of lack of venture capital. Their equipment is outdated and inadequate. Because of the lack of a guaranteed timber supply, they have been unable to secure

conventional financing. **Therefore, this committee recommends that the provincial government provide funding for venture capital up to $2.5 million, to be allocated by the Community Timber Board to forestry-sector businesses with value-added operations located in the Alberni-Clayoquot Regional District. This amount would not be used to fund administration costs of the Community Timber Board, but would be allocated to businesses ventures, both those presently operating and those which propose to locate here, that would provide local employment opportunities.**

The funds would be provided in the form of loans, to be repaid to the Community Timber Board and thus provide for ongoing initiatives of the Board.

2. Commercial Land Program:

This committee recommends that the Regional District and City, assisted by the Provincial Government, continue the development of industrial land within the Regional District that is appropriately zoned for small businesses in the forest sector. The City and Regional District representatives to this committee have advised us that two sites are presently being examined by them as possibilities for such development--the so-called "Cameron Site" and "Devil's Den Lake Site".

This committee strongly feels that development of available industrial land is a high priority for the success of forest-related enterprises in this area.

3. Silviculture Project:

This committee recommends that a silviculture program be established, to be administered and funded by the Ministry of Forests on Crown lands, as a pilot project. It should include all phases of silviculture--planting, spacing, weeding, pruning, species control, and commercial thinning. This program should provide full-time employment to workers, and should also be used as a training ground to develop forestry crewmen. The Ministry of Forests should work with other agencies, both provincial and federal, in such development and enhancement of our forests.

This committee recommends that a program be developed to make land-owners responsible for all phases of silviculture work on their lands.

4. Land Use Issue:

This committee recommends that the Clayoquot Sound Steering Committee be instructed to provide their report to the Minister of Forests within the allocated time, and that their recommendations be dealt with expeditiously. We further recommend that all future landbase disputes be brought to an expedited settlement.

All of which is respectfully submitted on behalf of the Port Alberni Forest Sector Committee.

Earl G. Foxcroft

Earl G. Foxcroft, Chairman

APPENDIX I

Committee Members, Port Alberni Forest Sector Committee:

Earl Foxcroft, Chairman

Gillian Trumper, Mayor, City of Port Alberni
(Jack Mitchell - alternate)

Gary Swann, Regional District of Alberni-Clayoquot

Janet Schlackl, Economic Development Commission

W. Cafferata, General Manager, Woodlands Division, MacMillan Bloedel Ltd. (R. Garth MacFarlane, General Manager, Building Materials, Alberni Region - alternate)

Ken McRae, Canadian Paperworkers Union
(Ted Anderson - alternate)

Dave Haggard, IWA-C Local 1-85
(Larry Rewakowsky - alternate)

APPENDIX II

Presenters of oral and written submissions to the Port Alberni Forest Sector Committee:

1. Don Cochrane, Port Alberni Adjustment Centre
2. Carol Lundy, Share our Resources
3. Mark Mosher, Interested Party
4. Peggy Hartman, Alberni-Clayoquot Development Society
5. Keith Wyton, Sarita Furniture
6. Don Walker, Interested Party
7. Joe Stanhope, Interested Party
8. Rob Como, Rebco Wood Products Ltd.
9. Doug Randall, Interested Party
10. Dan Skirrow, Job Loss Committee
11. Jack McLeman, Somass Plant Committee, IWA-C
12. Bill Patten, Interested Party
13. Pat O'Connell, Interested Party
14. Dave Haggard, Port Alberni Local, IWA-C
15. Andrew Green, Interested Party
16. Judith Hutchison, Alberni Environmental Coalition
17. Dave Thien, Local 592, C.P.U.
18. Cecile McKinnon, A.V. Cottage Industry Society
19. George McKnight, Interested Party
20. Ernie Russell, Interested Party
21. Pat McKay, Timbermil Logging Ltd.
22. Jeff Broughton, Pat Carson Bulldozing Ltd., Walbran Div., hourly employees
23. Hugo Jonasson, A.P.D. Plant Chairman, IWA-C

APPENDIX III
Copy of correspondence from R. W. Fechtner to Earl Foxcroft dated Feb. 27, 1992

INTERFOR

Executive Office

February 27, 1992

Mr. Earl Foxcroft, Chairman
Committee to Review the Job
Protection Commissioner's Recommendations
IWA-Canada, Local 1-85
4904 Montrose Street
Port Alberni, B.C. V9Y 3M1

Dear Earl:

Re: **The Feb 4, 1992 News Release by Hon. Dan Miller, Minister of Forests, announcing the creation of the Committee to Review the Job Protection Commission's Recommendations, and the report entitled An Analysis of the Forest Industries Employment Situation in Port Alberni, B.C., dated Nov 1991.**

As we discussed on the telephone last evening, Interfor is willing to cooperate with your efforts to enhance the employment situation in Port Alberni.

However, Interfor is "the new kid on the block", having only recently purchased certain assets from FCCL and having newly acquired timber cutting rights in your area, and we are uncertain how we might contribute.

We have seven sawmills and one reman plant in the Lower Mainland and even with our recently acquired cutting rights, we are still shy of an adequate log supply for them. We too are suffering massive AAC reductions by Government. Therefore, any logs that we may leave behind in Port Alberni to help your situation would require a trade-back in say, Cedar Merch, Fir or HemBal Gang to help us with our shortage.

We have read the report by Bob Wood, and now have a better understanding of the adverse economic situation in the Port Alberni area.

International Forest Products Limited
P.O. Box 49114, 1055 Dunsmuir Street, Vancouver, B.C., Canada V7X 1H7 (604) 681-3221 Fax (604) 688-0313

INTERFOR

Earl Foxcroft February 27, 1992

We look forward to the opportunity to work together with you and your community and feel that with good planning we may benefit mutually.

Respectfully,

R. W. Fechtner
per J. Jakes

R.W. Fechtner
Senior Vice President,
Logging and Log Supply

RWF/lj

c.c. R.M. Sitter
W. Gilpin

LOCAL 592

3940 JOHNSTON ROAD
PORT ALBERNI, B.C
V9Y 5N8

723-3931
723-7132

CANADIAN PAPERWORKERS UNION

RECEIVED
APR 21 1992
PORT ALBERNI
DISTRICT OFFICE

8 April 1992

The Honourable Dan Miller,
Minister of Forest
Parliament Buildings,
Victoria, B. C.

Dear Sir:

RE: PORT ALBERNI FOREST SECTOR COMMITTEE CPU LOCAL 592
MINIORITY REPORT RECOMMENDATIONS:

CPU Local 592 recommends that under the provisions of the Job Protection Act that any future plant reductins in our woodrooms due to a decreased need for its processed fiber in either our pulp or paper production.

That the 700,000 cubic meters of pulp wood now needed at the complex at Alberni Specialties continue to be used for some type of manufacturing configuration on the site, eg. added-value sawmill or strand board plant, using what is presently classed as pulp wood, and be in the jurisdiction of the CPU Local 592.

Failure to do so would result in a re-allocation of fibre to a local authority to stimulate local forest industry employment.

Yours truly,

CANADIAN PAPERWORKERS UNION

Ken McRae pd

KEN MCRAE
CPU LOCAL 592 REPRESENTATIVE.

CC. Gerard Janssen, M.L.A., Alberni
Paul Pashnik, Ministry of Forests, Port Alberni
Peter Fisher, Ministry of Forests, Victoria.
Douglas Kerley, Provincial Job ~~Protection~~ Commissioner
The Hon. David Zirnhelt, Minister of Economic Development, Small Business and Trade.
all committee members, Port Alberni Forest Sector Committee

"What We Wish For Ourselves — We Desire For All"

A MINORITY REPORT BY MacMILLAN BLOEDEL CONCERNING THE FINAL REPORT OF THE PORT ALBERNI FOREST SECTOR COMMITTEE CHAIRED BY MR. EARL FOXCROFT CONCLUDED 2 APRIL, 1992, PORT ALBERNI, B.C.

In response to the loss of employment in the City of Port Alberni, the Provincial Job Protection Commissioner, Mr. Doug Kerley, commissioned the Sterling Wood Group Inc. to conduct an investigation of the employment situation in Port Alberni. In November, 1991, Mr. Robert Wood of Sterling Wood submitted his findings to Mr. Douglas Kerley, Provincial Job Protection Commissioner, in a report entitled, "An Analysis of the Forest Industry Employment Situation in Port Alberni". This report is herein called the "Wood Report".

In February of 1992, the Minister appointed the Port Alberni Forest Sector Committee, chaired by Mr. Earl Foxcroft. Bill Cafferata was appointed to the Committee by the Minister to represent MacMillan Bloedel Ltd. The terms of reference of the Forest Sector Committee were:

1) To utilize the report and recommendations of the Special Job Protection Commissioner for Port Alberni (Wood Report) as the basis for exploring alternatives and developing solutions for the mitigation of forest sector layoffs and strengthening the long-term viability of the forest industry.

2) To consult with the Clayoquot Sound Sustainable Development Committee to review compatibility of their January 1, 1992, interim report with the recommendations of the Special Job Protection Commissioner.

3) To consider the advice and recommendations of other local interests or advisory groups that are considering forest sector employment opportunities, including the Port Alberni Adjustment Committee and the Kennedy Lake Working Group.

4) To report to the Minister in early April, 1992, on actions that might follow from the Special Job Protection Commissioner's recommendations that can be expected to improve forestry-related job opportunities in the Port Alberni region.

The Forest Sector Committee summarized the Wood Report's recommendations as follows:

1) taking back of surplus AAC if such a surplus does in fact exist after landbase adjustments, and allocation of any surplus to a local community forest authority:

2) reduction of local independent forest sector impediments, probably through the Regional Economic Development Officer, but including others;

3) creating of a binding local supply agreement facilitation process, again through the above agency;

4) stimulation and expansion, if possible, of the Ministry of Forests Small Business Forest Enterprise Programme under Section 16.1 of the Forest Act;

5) creation of an elevated and career-oriented local silvicultural industry under the lead of the Ministry of Forests in cooperation with other agencies;

6) expeditious settlement of critical forest landbase issues, such as Clayoquot Sound, to allow getting on with planning and programs such as those above.

Mr. Foxcroft has presented to the Minister recommendations that are supported by the majority of the Forest Sector Committee. These recommendations are:

1. Community Timber Board

   1(a) - Make up and Responsibility of the Board
   1(b) - Timber Available to Board
   1(c) - Funding Available to Board

2. Commercial Land Program

3. Silviculture Project

4. Land Use Issues

This report is for the purpose of expressing MacMillan Bloedel's concerns with recommendations 1(a) and 3, and disagreement with recommendation 1(b).

1(a) - Make-up and Responsibility of Board:

MB requested that it not be a member of the Community Timber Board. We are an active buyer and seller of logs in Port Alberni, and the single largest supplier to the remanufacturing industry in British Columbia. As such, we should not be in a position to influence the awarding of Ministry of Forests Timber Sales, or the awarding of loans to remanufacturing companies.

We feel that the I.W.A.-C, Local 1-85, and the C.P.U., Local 592, could also be perceived by the public to have a conflict of interest. This could arise through their influence on the awarding of either timber sales or funding to companies whose employees are not represented by a recognized Trade Union.

MB also believes that the Regional District of Alberni-Clayoquot and the City of Port Alberni, should each have two representatives. In our opinion, a Board constituted to award a public resource should have substantial representation of the electorate.

1(b) - Timber Available to Board:

The Forest Sector Committee recommends that 65,000 cubic metres be taken from the AAC OF TFL 44 and allocated to the Board. We object:

> the Wood Report recommended "Taking back of surplus AAC if (sic) such a surplus does in fact exist after landbase adjustments"
> At the writing of the Wood Report, the AAC of TFL 44 was proposed by the Company to be 2,700,000 m^3. On 2 January, 1992, the Chief Forester established the AAC of TFL 44 at 2,420,000 cubic metres. After netting down for S.B.F.E.P., the overcut from the previous cut control period, and residue, MB is left with 2,118,000 cubic metres of wood for its own use. For the five-year period 1987-1991, MB produced from TFL 44 an average of 2,730,000 cubic metres of wood per year. Over the same time, we converted 2,370,000 cubic metres of wood per year in our Alberni Mills. Our net sales of logs amounted to 13% of our production over these years.
>
> Our outlook for the future is to produce 2,180,000 cubic metres of wood for our own use. Of this, we expect to convert 1,870,000 cubic metres in our Alberni mills. Our net sales of logs would amount to about 13% of our production. About half of these sales would continue to be to local mills.

Any allocation to the Community Timber Board wood from MB that represents the forest profile will reduce employment in MB converting plants. MB mills, both in Alberni and the lower mainland, consume virtually all the cedar sawlogs that we produce, and purchase additional supply on the open market. In addition, cedar shingle grade logs amount to about 30% of the wood supply for our Somass Sawmill. This mill converts these lower grade logs to a value added product in a modern, efficient, capital-intensive facility. Furthermore, any potential expansion of Somass Sawmill is eliminated.

Similarly, our Alberni Pacific Division sawmill is already constrained by limits to the supply of hemlock and balsam sawlogs.

Any removal of timber from these mills allows them two options: reduce production and jobs or replace the volume of logs lost with open market purchases. Given that one million cubic metres of wood have been removed from the coastal AAC since January, there is little wood available for purchase.

Alberni Specialties, our pulp and paper operation, is in a state of change. The introduction of recycled paper, effluent regulations specific to Alberni Specialties, and special products have the potential to reduce both employment and the need for logs at this facility. These logs would tend to be predominantly lower quality hemlock and balsam. Should they become extra to our needs, they will be sorted to customer requirements for sale to other MB mills or on the open market.

Based on this evidence, there is no surplus of AAC.

To allocate to the Community Timber Board only that wood not consumed by MB mills is, in our view, unnecessary. MB Alberni already sells about 120,000 cubic metres of wood locally, per year, and this is likely to increase as local mills become financially viable.

Finally, there is no evidence that the major constraint to the development of secondary industry in Alberni is the lack of a timber supply. Mr. Wood's report identifies approximately one million cubic metres of wood, from all tenures, leaving the district annually. Of this, at least 160,000 m^3 leaves by truck or barge from Ministry timber sales. As well, all of the "value added" timber sales in this district since June of 1989 have been awarded to local entrepreneurs. The prolonged absence of performance by these small businesses is clearly not due to a lack of timber supply.

3. Silviculture Project:

MB supports the pilot silviculture program in principle, subject to two qualifications:

(a) that the work performed be subject to an economic evaluation, and

(b) that, should silvicultural programs be funded as an alternative to conventional social programs, this be clearly identified.

In summation:

We are concerned that the representatives of the C.P.U. and the I.W.A.-C on the Community Timber Board could be seen to be in a conflict of interests, and that the representation of the electorate on the Board is inadequate.

We disagree with the recommendation to remove sixty-five thousand cubic metres of wood from MB's share of TFL 44. Our AAC has already been reduced, our sawmills are already being constrained by log supply, and there is no compelling evidence that the lack of secondary industry in Port Alberni is due to a lack of timber supply.

We request that any silvicultural project be subject to an economic post appraisal, and that if silvicultural programs are used as an alternative to more conventional social programs, this be clearly identified.

We thank you for the opportunity to be represented on the Port Alberni Forest Section Committee, and are available at your convenience to answer any questions arising from this minority report.

Respectfully submitted,

W.N. Carferata
General Manager, Woodlands

WNC:mka

\WNC\PA-FS-CM

IWA - CANADA LOCAL 1 - 85

REPRESENTING: THE ALBERNI VALLEY, TOFINO, UCLUELET, TAHSIS, ZEBALLOS AND GOLD RIVER AREAS.

4904 MONTROSE STREET,
PORT ALBERNI, B.C. V9Y 1M3
TELEPHONE 724-0171
FAX: 724-2800

PORT ALERNI FOREST SECTOR COMMITTEE

IWA-Canada Local 1-85 submits this minority report in opposition to Port Alberni Forest Sector Committee's recommendation 1(b), Timber available to Board, which reads, "This committee recommends to the Job Protection Commissioner, pursuant to the Job Protection Act, Section 11(3), that the annual volume of 65,000 m3 be withdrawn from Tree Farm License 44 and that amount be allocated to the Community Timber Board.

Although the Port Alberni Forest Sector Committee claim that it reflects the desire of the community in demanding fibre withdrawal as a result of closures, job loss or fibre export. The committee fail to address a further job loss of logging crews, be the parent company or stump to dump contractors as a result of the withdrawal of 65,000 m3 from T.F.L. 44.

This will not create one new logging job. The IWA-Canada has witnessed similar fibre withdrawal under the 5% small business program. Government claimed this would also stimulate employment but instead, foresty jobs are taken from one unit and given to another.

The problems of jobs versus tenure, i.e. T.F.L. 44, is much bigger than the mandate allowed the Port Alberni Forest Sector Committee. Remaining jobs in ALL sectors must be protected. If it is the intent of the Job Protection Act to continue to reduce the fibre supply in T.F.L. 44 then variance must be given in other quarters, i.e. sensitive areas and log around areas or we will see a domino downward effect in job losses.

IWA-Canada feel that indeed industry should be moving toward a value added reman facility. It should be conditional to tenure that the licensee expand into the value added market place and those jobs be attained by the hundreds of displaced IWA-Canada members.

In short, we feel that all fibre harvested in this area should be manufactured to its fullest potential in this area.

1. Since the writing of the Wood Report, there has been a lowering of the A.A.C. in T.F.L. 44 to 2.4 million m3 thus reducing the amount of surplus wood to 65,000 m3 of low grade cedar.

2. By reducing the A.A.C. of T.F.L. 44 by 65,000 m3, this will cause lay-offs in the MacMillan Bloedel Logging Divisions because those divisions are crewed to take out the current level of A.A.C. Two of the divisions have lost approximately 200 jobs in the last four months due to downsizing of cut and measures to be more cost effective.

Continued . . . 2

3. The amount of high grade wood that leaves the Valley to Chemainus and New Westminster Divisions of MacMillan Bloedel has remained constant. This reduction of available wood could also have effects on employment levels in these mills.

In conclusion, we feel that there is wood that is now leaving the Valley from the market loggers that should be made available to the Community Timber Board to be allotted to the small manufacturers and remanners.

We don't see any benefits in taking jobs away from our MacMillan Bloedel loggers to be given to some other employers that might be a lot less stable.

If tenure is going to be taken away from MacMillan Bloedel, then the IWA is still prepared to support a complete removal of the T.F.L. to be given to someone who will commit to employment.

D C Haggard

Dave Haggard
President
IWA-Canada Local 1-85

Province of
British Columbia

NEWS RELEASE

Ministry of Forests
For Immediate Release
May 12, 1992

1992:040

Miller releases Port Alberni committee's report for public comment

VICTORIA -- Forests Minister Dan Miller today released for public comment the report of a seven-member committee that reviewed Special Job Protection Commissioner Robert Wood's report on forest industry job losses in the Port Alberni area.

Wood was appointed by the provincial Job Protection Commission on August 22, 1991. His recommendations were related to the reallocation of wood supplies from MacMillan Bloedel's tree farm licence (#44) to other mills in the area.

The Port Alberni Forest Sector Commitee was appointed on February 4, 1992, to review Wood's report in light of the number of changes in the area since the report was finalized. In particular, the allowable annual cut for the tree farm licence (#44) was reduced by the province's chief forester from 2.8 million cubic metres to 2.42 million cubic metres.

Miller said he will comment on the recommendations of the committee only after a meeting with community leaders and union representatives in Port Alberni on Friday, May 15.

"At this meeting we will discuss the report and the continuing lay-offs at MacMillan Bloedel's plants in Port Alberni," he said.

Earl Foxcroft, recently retired president of IWA-Canada Local 1-85, chaired the Port Alberni Forest Sector Committee.

Other members of the committee were:

- Dave Haggard, president, IWA Local 1-85;
- Bill Cafferata, general manager, Woodlands Division, MacMillan Bloedel Ltd,;
- Mayor Gillian Trumper, City of Port Alberni;
- Ken McRae, Canadian Paperworkers Union;
- Gary Swann, Alberni-Clayoquot Regional District; and,
- Janet Schlackl, research assistant, Port Alberni Economic Development Commission.

- more -

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Copies of the commitee's report are available from the Port Alberni forest district and from the Forest Service's Economics and Trade Branch, 1450 Government Street, Victoria.

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